accounted for by free trade with that country, for the real increase in exports began in 1909 when free trade between the two countries was established. During and immediately following the World War there was an artificial rise in exports due to the high prices which then prevailed. The period of readjustment followed but did not particularly harm Philippine business. The volume of Philippine exports is actually satisfactory, but has two weaknesses, the great reliance placed on sugar, and the equally great reliance placed on access to the American market.

In the order of importance as of 1934 the exports from the Philippines are (i) sugarj (2) coconut products (copra, coconut oil, copra meal, desiccated and shredded coconut) 5 (3) goldj (4) hemp and cordage5 (5) tobacco products5 (6) embroideries; (7) lumber; (8) hats, and (9) shells and the manufactures of shells. But this order is liable to change. Hemp, formerly first, is now fourth. The first, sugar, may soon be last, and another export may soon be first.

The most surprising development in Philippine commerce has had to do with the sugar industry. By leaps and bounds it has gone forward to become the predominant product. In value sugar represents about sixty per cent of all Philippine exports.

Without sugar—without free entrance to the American market—what?

IMPORTS

During the course of the long and acrimonious debates in the Congress of the United States on the Philippine question, in which arguments were marshalled for and against the imposition of restrictions on imports to the United States, one

very plain fact was entirely lost to view: The Philippines is the ninth best customer of the United States and has stood seventh on the list of countries consuming American products.